

1968/9

SECURITY GRADING
N.B. The grading of this document is the same as that of the highest graded
UPGRADE AS ~~document submitted to it~~ The appropriate upgrading slip must be affixed whenever necessary.

Contents checked
for transfer to
D.R.O.
(Sgd.) *P. P. O'Meara*
Date *25/8/70*

SECRET

YEAR
STAMP

FOREIGN AND COMMONWEALTH
OFFICE

DEPT.

NEAR EASTERN

FILE No. *NEQ 6/2* (1 - 20(a))
(Part *5*)

TITLE: *BNEC MISSIONS - VISITS TO IRAQ*

W 018

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RETURN THEM TO REGISTRY FOR B.U. OR P.A.

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<i>Registry</i>	<i>(1)</i>	<i>24/10</i>	<i>Mr T. W. H.</i>	<i>W12</i>				
<i>D.J.M.</i>			<i>Mr Bell</i>	<i>W12</i>	<i>23/6</i>			
<i>Registry</i>		<i>8/11</i>	<i>P.H.</i>	<i>W12</i>	<i>24/6</i>			
<i>D.J.M.</i>		<i>13/1</i>	<i>Reg.</i>		<i>26/6</i>			
<i>Reg.</i>		<i>13/1</i>	<i>AAA</i>		<i>27/6</i>			
<i>D.J.M.</i>		<i>13/1</i>	<i>Reg.</i>		<i>27/7</i>			
<i>Reg.</i>	<i>(6)</i>	<i>15/1</i>	<i>P.H.</i>		<i>27/7</i>			
<i>P. Bell</i>		<i>20/1</i>	<i>Reg.</i>		<i>9/9</i>			
<i>Reg.</i>		<i>27/1</i>	<i>P.H.</i>		<i>9/9</i>			
<i>D.J.M.</i>		<i>27/1</i>	<i>Reg.</i>		<i>26/9</i>			
<i>Reg.</i>		<i>27/1</i>	<i>D.J.M.</i>					
<i>P.R.M.H.</i>		<i>7/11</i>	<i>Reg.</i>		<i>7/10</i>			
<i>Reg.</i>		<i>14/2</i>	<i>D.J.M.</i>	<i>bu</i>	<i>10/10</i>			
<i>P.H.</i>			<i>Reg.</i>		<i>15/12</i>			
<i>Reg.</i>		<i>17/3</i>	<i>AAA</i>	<i>D</i>	<i>22/12</i>			
<i>P.B.</i>		<i>21/3</i>	<i>Reg</i>		<i>20/2</i>			
<i>Reg. PH</i>		<i>21/3</i>	<i>Mr Luff</i>					
<i>Reg</i>		<i>20/6</i>						
<i>P.H.</i>		<i>20/6</i>						

Registry Address

Room No. *115*
F.O. Building,
Downing Street.

FILE No. *NEQ 6/2*



YEAR STAMP

1968/9

Mr. Robinson ①
Eastern Dept

CONFIDENTIAL

CYPHER/CAT A
PRIORITY BAGHDAD
TELEGRAM NUMBER 299

TO FOREIGN OFFICE
4 OCTOBER 1968

CONFIDENTIAL.

B.N.E.C. MISSION.

NEQ 6/2

Spoken to Mr Hibbs,
who was away, whose
assistants could not act,
& who has done nothing.
He has promised to reply. Jm

WE HAVE BEEN CONSIDERING QUESTION OF A BNEC MISSION By 6/11/68.
AND HOPE TO LET YOU HAVE FIRM RECOMMENDATIONS WITHIN NEXT WEEK
OR TWO. HOWEVER, ENQUIRIES HAVE SHOWN THAT THERE COULD BE
ADVANTAGE IN A SMALL EXPLORATORY MISSION COMING OUT BEFORE
END OF OCTOBER. ITS OBJECT WOULD BE:

- (A) TO MAKE CONTACT WITH FEDERATION OF IRAQI INDUSTRIES, BAGHDAD
CHAMBER OF COMMERCE AND APPROPRIATE MINISTRIES.
- (B) TO VISIT BAGHDAD FAIR AND MAKE AN ASSESSMENT OF IT WITH A
VIEW TO POSSIBLE PARTICIPATION IN FUTURE YEARS.
- (C) TO WORK OUT WITH US THE DETAILED LINES AND TIMING OF THE
WIDER BNEC MISSION.

2. IRAQIS WOULD PARTICULARLY WELCOME SOME SORT OF BRITISH
MISSION WHILST FAIR IS IN PROGRESS. THIS IS FIRST YEAR WHEN
THERE HAS BEEN INTERNATIONAL PARTICIPATION AND THERE MIGHT POSSIBLY
BE ADVANTAGE IN OUR JOINING IN NEXT YEAR. THE IRAQIS OFFER AN
INDUCEMENT OF ID 120,000 EXTRA IMPORT QUOTA FOR COUNTRIES EXHIBITING.

3. IF THE PRELIMINARY MISSION COULD BE MOUNTED AT SHORT NOTICE.
IT MIGHT CONSIST OF TWO PEOPLE, ONE HIGHLY REPRESENTATIONAL FOR
DOING THE HONOURS AND ONE PRACTICAL OPERATOR FOR WORKING OUT THE
DETAILS OF THE WIDER MISSION. POSSIBLY SIR E. CHAPMAN ANDREWS
WOULD BE ONE GOOD CANDIDATE: PARTICULARLY IN VIEW OF MASSEY
FERGUSON'S CONSIDERABLE INTERESTS HERE. IN THIS CONNECTION DIRECTOR
GENERAL OF MINISTRY OF ECONOMY TOLD THE COMMERCIAL COUNSELLOR
THAT NEXT YEAR IMPORT ALLOCATION FOR AGRICULTURAL MACHINES
WOULD BE INCREASED BY ID 3 MILLION.

4. PLEASE PASS TO HIBS, C.R. AND E. DEPARTMENT, BOARD OF TRADE.

MR. EVANS.

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EXPORT PROMOTION DEPT.
EASTERN DEPT.
I.A.D.

CONFIDENTIAL

Robinson F 737
Montgomery F 736

BOARD OF TRADE

File No. CRE 1814/68

PRIORITY MARKING

~~EMERGENCY~~
~~IMMEDIATE~~
~~PRIORITY~~
~~ROUTINE~~
~~DEFERRED~~

Tel/1C

* Date and time (G.M.T.) telegram should reach addressee(s)

9

SECURITY CLASSIFICATION

~~Top Secret~~

~~Secret~~

~~Confidential~~

~~Restricted~~

~~Unclassified~~

(Date)

Despatched

[Security classification] RESTRICTED

[Codeword—if any]

Address to BRITISH EMBASSY BAGHDAD IRAQ

telegram No. (date)

And to:

repeated for information to

Saving to:-

Text: (to be typed with double spacing)

For Hawley

From Hibbs

Your Creda 299 October 4 about possible BNEC

mission. Thomson Secretary COMET will visit Baghdad

soon after 11 November on way back from Saudi Arabia

possibly accompanied by Lord Limerick. He will

communicate with you direct to confirm this later.

Object of visit will be meet people as per your

paragraph 1A and make preliminary survey of promising

fields which might repay more detailed investigation

by COMET mission probably early next year. Unlikely

we would wish participate in Baghdad Fair except

by individual firms.

Repeat to:—

Saving to:-

Distribution:—

Copies to:—

Mr. Mackinson,
N.E.D. Foreign Office

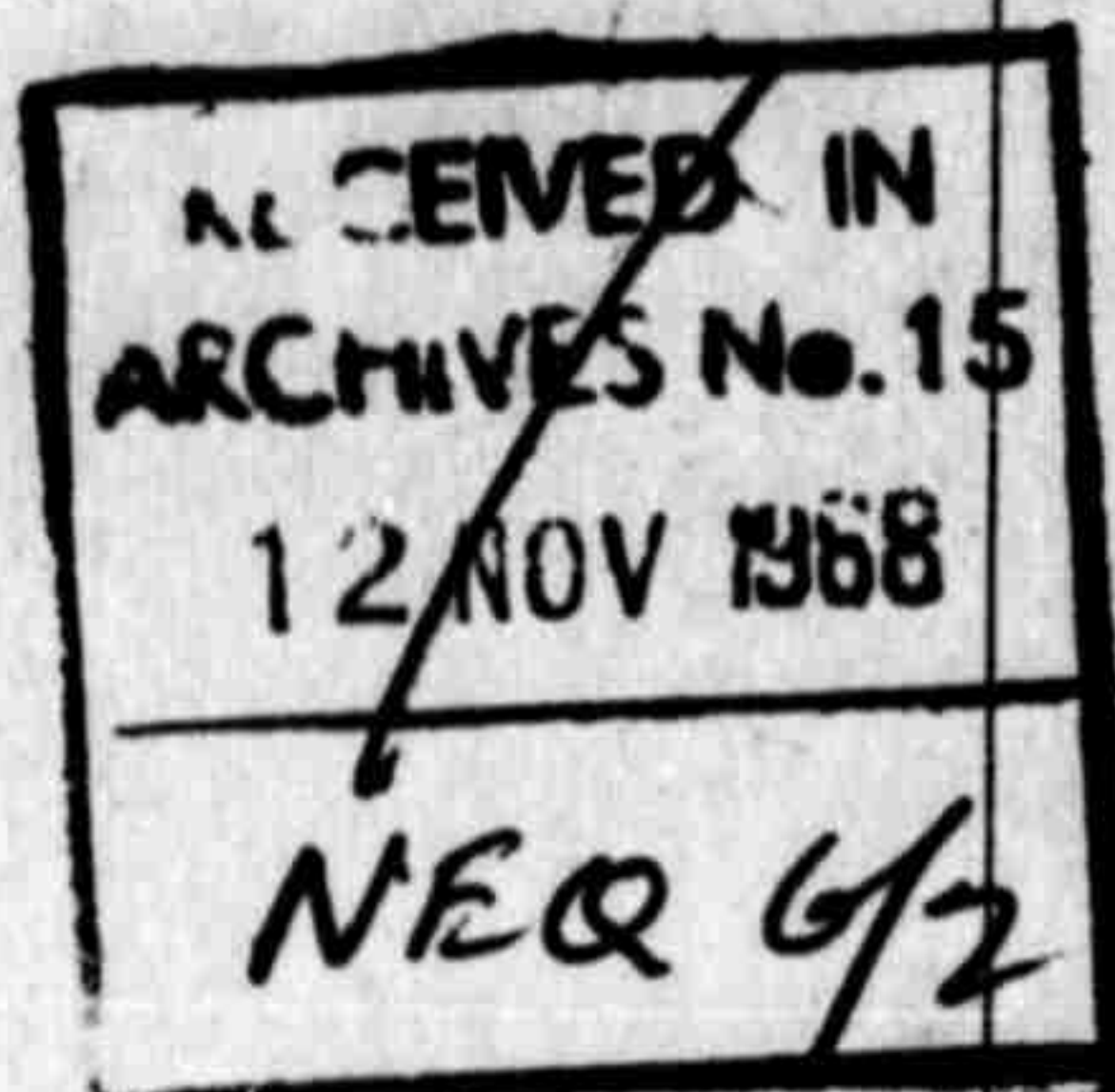
Mr. H. Thomson,
COMET

DO NOT TYPE ON REVERSE OF THIS FORM
(Use continuation sheet Tel/1C (Cont))

Signature of Originator to

EACH SHEET to be signed by the Originator

NOTHING TO BE WRITTEN IN THIS MARGIN



Reference.....

3

There isn't one!
Perhaps hi' Thomson of Comets
visit

BBC MON 2305

Is

BBC MON TESTING 2358

New East.

B1 BRITISH TRADE MISSION SEES IRAQI INDUSTRY MINISTER

(IRAQI NEWS AGENCY) BAGHDAD--INDUSTRY MINISTER KHALID MAKI AL-HASHIMI HAS RECEIVED THE BRITISH TRADE MISSION CURRENTLY VISITING IRAQ. THEY DISCUSSED MEANS TO STRENGTHEN INDUSTRIAL RELATIONS.

END BBC MON 0020 11/11 G.T.

Reg & p.e.
Jm 11

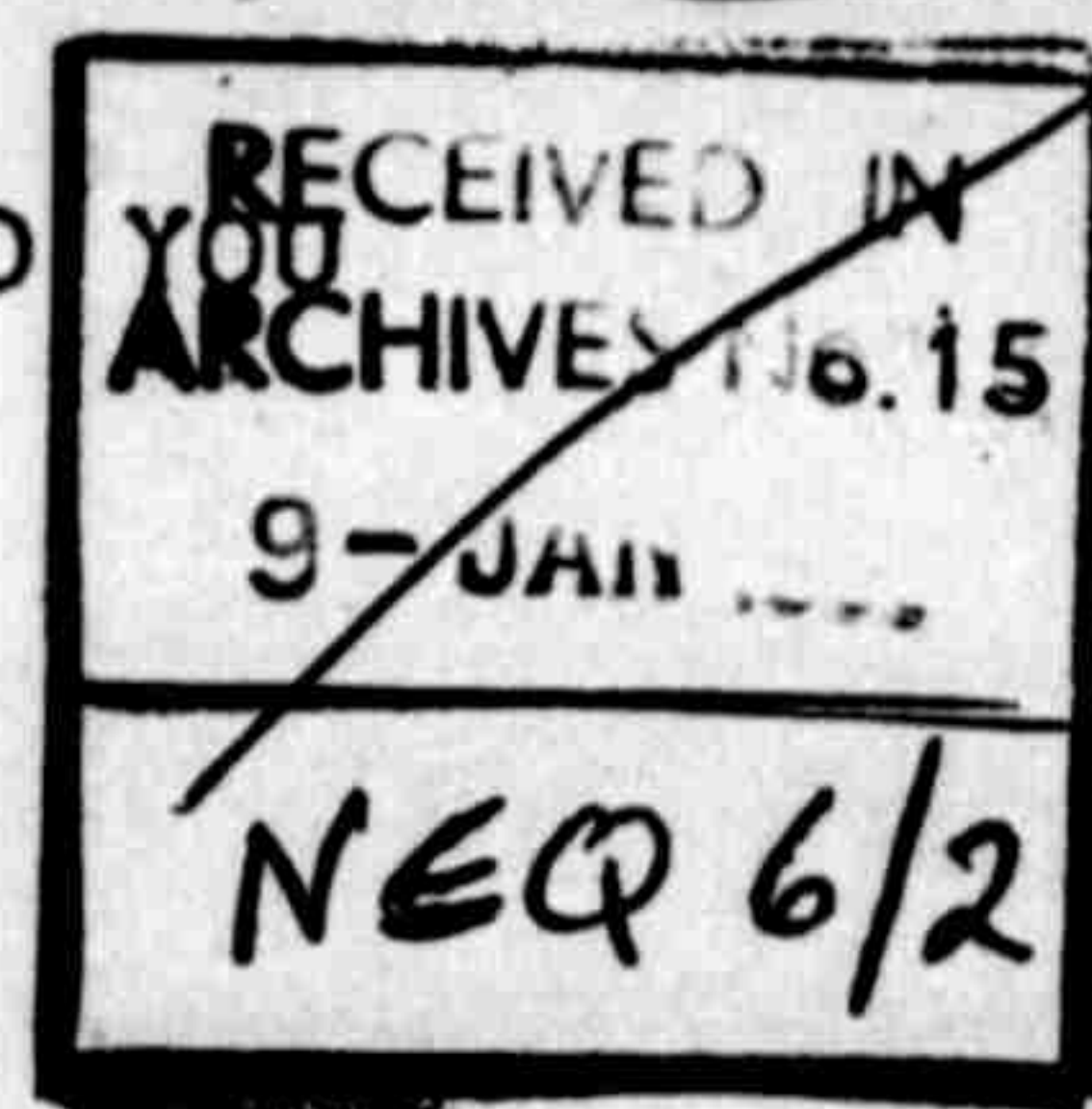
MID 300/280/01

8 JAN 1969

Enote (4)

FOODM 002

FOLLOWING IS TEXT OF BAGHDAD TELNO MODEV 1 OF 7 JAN TO
PRIORITY.



CONFIDENTIAL.

FOLLOWING RECEIVED FROM BAGHDAD.

ADDRESSED TO O D M TELNO MODEV 1 OF 7 JANUARY R F I DEVDIV BEIRUT.

YOURTEL MODEV 7 : COMET MISSION TO IRAQ.

PLEASE TELEGRAPH WHETHER COMET GAVE ANY REASON FOR THE PROPOSED
ATTACHMENT. WE SHOULD ALSO BE GLAD TO KNOW FROM DEVDIV
WHETHER THERE WAS ANY PARTICULAR REASON FOR THE ATTACHMENT OF
GRIFFITH TO THE 1963 MISSION.

SENT AT 08/0820Z JM

cc: MR. W. HIBBS: CRED B/TRADE
MR. A.R. MOORE FCO

I have told ODM
we do not view
this proposal with
much enthusiasm

you 18 Jan 13/1

MB

107/1

ODFO-3

FILE MID.300/280/01

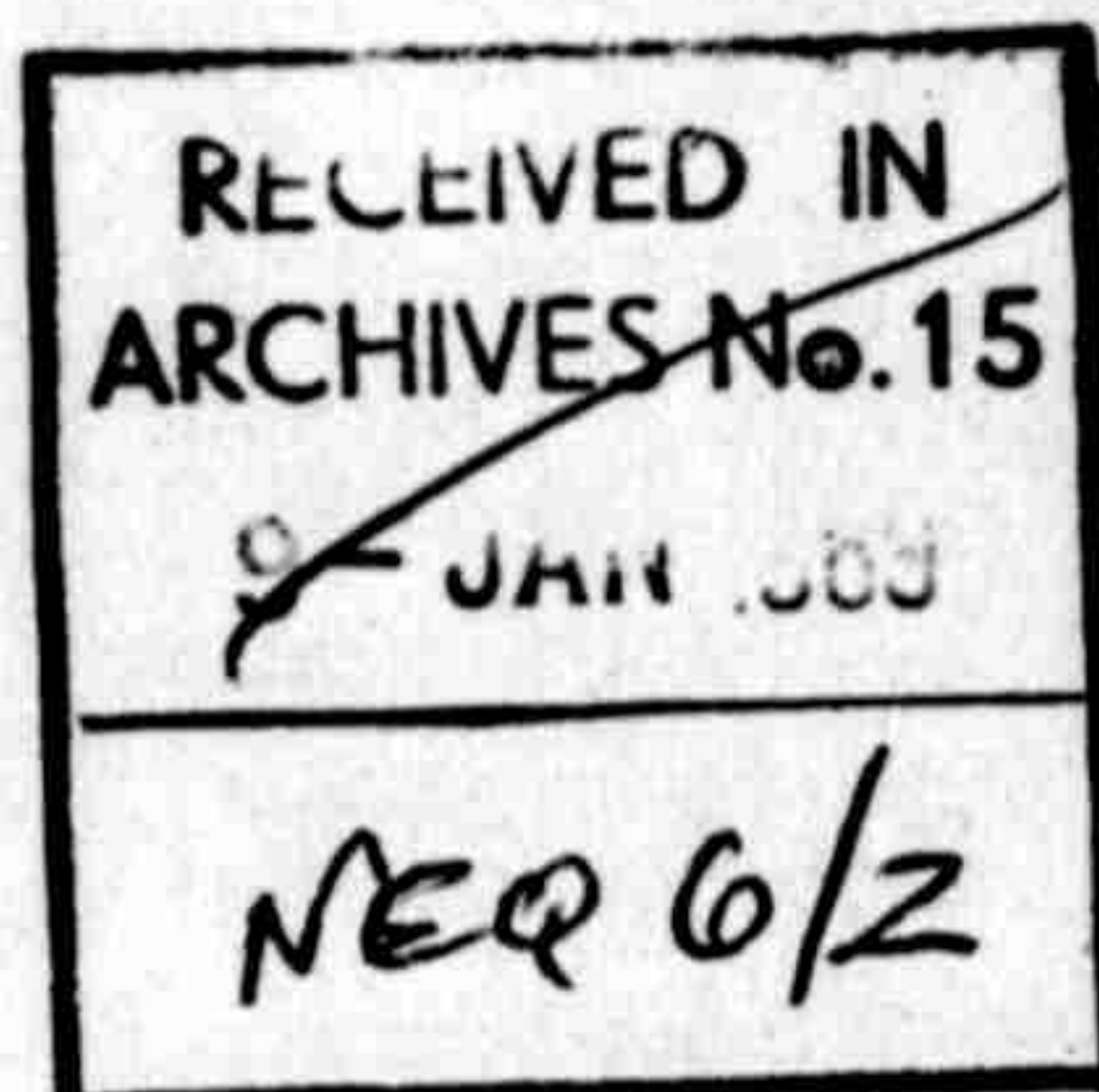
^{W 4.}
OUTWARD

OUTWARD TELEGRAM OF 6TH JANUARY FOR PRIORITY TRANSMISSION TO BEIRUT
AND REPETITION TO BAGHDAD

PRIORITY

CONFIDENTIAL

TEXT BEGINS



p.w. 9/1 MB.

ADDRESSED BEIRUT (FOR DEVDIV) MODEV 7 REPEATED BAGHDAD
COMMITTEE FOR MIDDLE EAST TRADE HAVE ASKED IF YOU CAN ATTACH
SOMEONE TO THEIR GROUP MAKING SIX-DAY GENERAL SURVEY OF IRAQ
BEGINNING ABOUT 30 JANUARY. GROUP CONSISTS OF CHAIRMAN DICK,
DEPUTY CHAIRMAN LORD LIMERICK, FITT OF ALEXANDER GIBB AND
JARVIS OF AGRICULTURAL EXPORT COUNCIL. REFERENCE MADE TO YOUR
ATTACHMENT OF GRIFFITH TO MISSION MAY 1963 WHICH WE BELIEVE
WAS AT YOUR REQUEST.

2. OUR OWN FEELING IS THAT IT WOULD BE UNDESIRABLY PREMATURE
TO DO THIS IN VIEW OF POLICY OF APPROACHING RESUMPTION OF
TECHNICAL ASSISTANCE PROGRAMME IN IRAQ CAUTIOUSLY AND CONSEQUENT
RISK OF RAISING EXPECTATIONS UNDULY. IT MIGHT BE BETTER TO OFFER
TO ASSIST FOLLOW UP ACTION IF FIRST SURVEY IDENTIFIES OPENINGS WHERE
TECHNICAL ASSISTANCE MIGHT BE VALUABLE. IN ANY CASE YOU MAY NOT HAVE
ANYONE AVAILABLE.

3. GRATEFUL URGENT COMMENTS FROM YOU AND BAGHDAD.

TEXT ENDS

TPD 061310Z

DFP

C.C:- MR. NORMAN HIBBS - CRED B/TRADE
MR. A.R. MOORE - F.C.O.

RECD AT 06/1450Z ERW

- 7 JAN 1963

N E D

(5)

OUTWARD

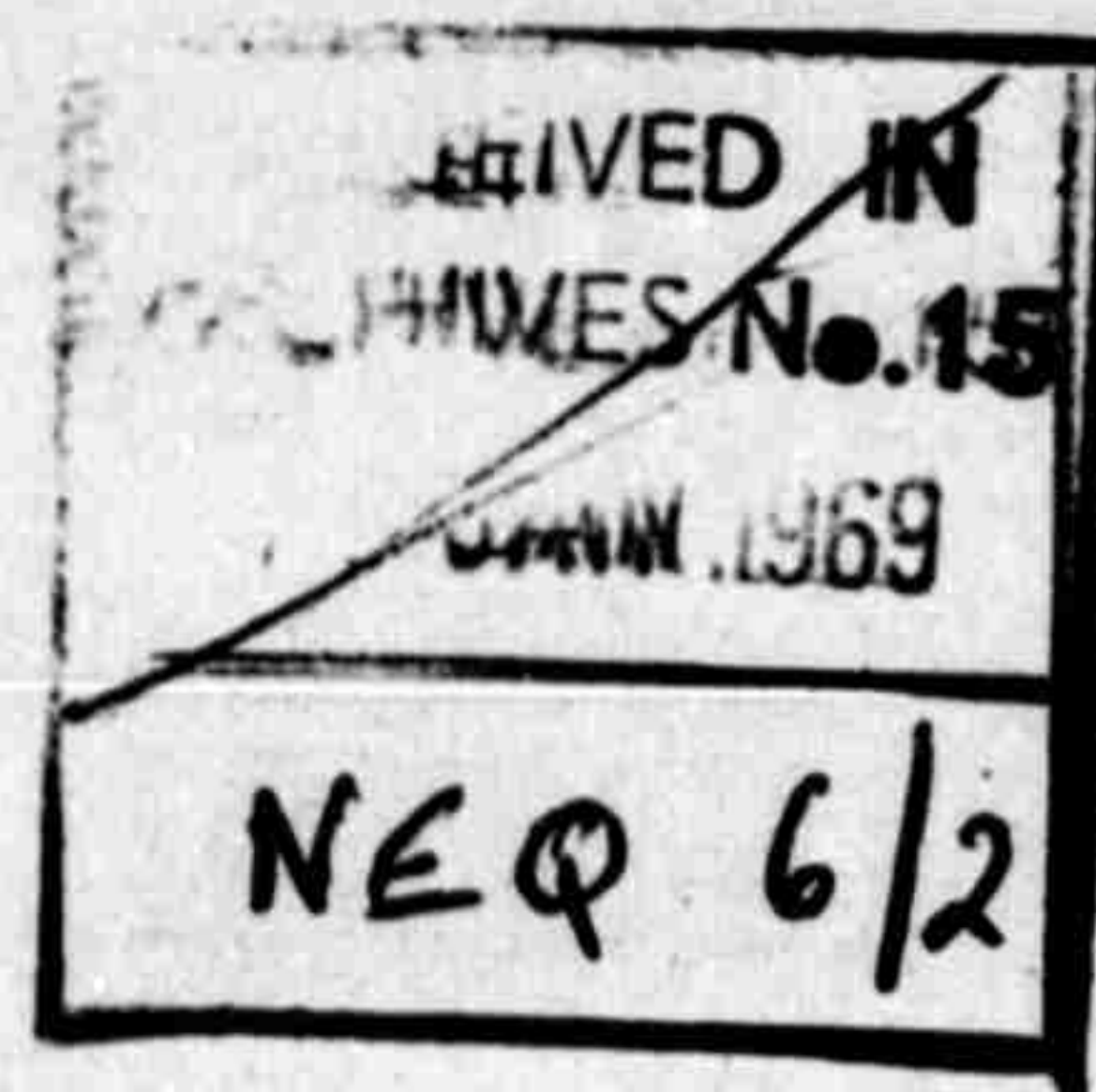
ODFO 03

OUTWARD TELEGRAM OF 8 JAN FOR TRANSMISSION IMMEDIATE TO BAGHDAD
AND REPETITION IMMEDIATE TO BEIRUT.

TEXT BEGINS

RESTRICTED

ADDRESSED BAGHDAD MODEV 01
REPEATED BEIRUT (FOR DEVDIV)



YOUR MODEV 01
COMET MISSION.

NO SPECIFIC REASON GIVEN BUT INTEREST EXPRESSED IN HAVING ASSISTANCE
OF SOMEONE WITH GENERAL KNOWLEDGE OF AREA AND THE PROBLEMS TO HELP
DRAW TOGETHER MORE DETAILED INFORMATION WHICH MISSION'S OWN
SPECIALISTS WOULD BE GATHERING. PARRY WAS SPECIFICALLY MENTIONED AS
POSSIBILITY BUT DOUBTLESS ONE OF THE ECONOMISTS WOULD ALSO MEET THE
NEED.

2. WE ARE GENERALLY DISPOSED TO SHOW WILLINGNESS TO COOPERATE WITH
COMET BUT WE DO HAVE SOME DOUBTS ABOUT DOING SO IN THIS PARTICULAR
CASE FOR REASONS ALREADY EXPLAINED.

3. COMET VERY ANXIOUS TO HAVE ANSWER BY TOMORROW IF POSSIBLE.

TEXT ENDS

cc: MR. W. HIBBS - CRED . BOARD OF TRADE.
MR. A. R. MOORE. FCO.

PRFD 081018Z JL

Reg.
pe
12/1

Nr. Eastern

NO CONES MADE

6

CYPHER CAT A

IMMEDIATE BAGHDAD

TO B. O. T.

Rm 129

TELE NO CRED A 16

24 JAN 1969

Near Eastern Dept
Export Promotion
(Mr. Graham)

Mr. McKinnon
File

copies
sent 27/1

Die Departmenten shd see
and U.E. Dept in due course
urgently

CONFIDENTIAL

ADDRESSED TO BOARD OF TRADE TELNO. CRED A 16 24 JAN.

R.E.

REPEATED FOR INFORMATION TO E.C.G.D., F.C.O.,
AND MINISTRY OF TECHNOLOGY.

RECEIVED IN ARCHIVES No. 15 27 JAN 1969 REQ 6/2.

2571

COMET MISSION

EVIDENCE IS ACCUMULATING THAT THE IRAQIS ARE ATTACHING
CONSIDERABLE IMPORTANCE TO THE FORTHCOMING
MISSION. IT MAY BE THAT THEIR HOPES ARE EXAGGERATED
BUT WE HAVE HEARD VARIATIONS ON THE FOLLOWING THEME
FROM SEVERAL RELIABLE SOURCES:

(A) THE PRESENT IRAQI ADMINISTRATION IS THINKING
OF TURNING TOWARDS THE UNITED KINGDOM IN THE ECONOMIC
EVENT GO

ONOMIC

FIELD TO A VERY GREAT EXTENT. EVIDENCE OF THIS IS
THE SIGNATURE OF THE MARCONI AGREEMENT, THE REPORTED
AGREEMENT OF THE CENTRAL COMMITTEE OF THE BA'ATH
PARTY TO THE LIGHTNING PURCHASE AND INCREASED INTEREST
IN COOPERATION WITH THE UNITED KINGDOM IN THE
MINISTRY
MINISTRY OF INDUSTRY AND IN BETTER ARM SALES TO THE
ARMED FORCES. POTENTIAL BUSINESS WITH THE UNITED
KINGDOM OF THE ORDER OF ID 200 MILLION=

(B) HOWEVER IRAQ IS SHORT OF MONEY - OVER-
EXPENDITURE OF ID 120 MILLION HAS BEEN MENTIONED
BY ONE INFORMED IRAQI - AND CONSEQUENTLY A NEW

BY ONE INFORMED IRAQI - AND CONSEQUENTLY A NEW
RELATIONSHIP WILL NOT ~~KNOW~~ UNTIL AS OPR INFORMANTS
TELL US, THE
NSHP WILL NOT FLOW^U UNTIL AS OPR INFORMANTS
TELL US, THE IRAQIS +GET THEIR MONEY FROM I.P.C.+.

~~DEPENDENTLY OF THIS SUBSTANTIAL CREDIT ON FAVOURABLE~~
~~EEEE~~ INDEPENDENTLY OF THIS SUBSTANTIAL CREDIT
ON FAVOURABLE TERMS IS REQUIRED=

(C) THE OPPORTUNITY FOR THE UNITED KINGDOM AT
PRESENT IS VERY GREAT. BUT DE GAULLE'S POPULARITY
AFTER HIS ANNOUNCEMENT CONCERNING ARMS FOR ISRAEL HAS
NOW BECOME AN IMPORTANT FACTOR AND IN A REGIME WHOSE
STATE OBJECTIVE IS TO REWARD ECONOMICALLY THOSE
COUNTRIES WHOSE POLICY IT APPROVES, THIS COULD
ACQUIRE INCREASED SIGNIFICANCE... (YOU HAVE PRESUM-
^BABLY ALSO SEEN REPORTS THAT THE ARAB LEAGUE ECONOMIC
COUNCIL HAS DECIDED TO ESTABLISH AN ARAB-FRANCO CHAMBER
OF COMMERCE.)

2. THERE MAY WELL BE A^N ELEMENT OF EXAGGERATION AND
EVEN ILLUSION ON THE IRAQI SIDE. HOWEVER THERE
IS NO DOUBT NO^W THAT^W THEY ARE^W LINKING THE COMET
MISSION WITH A POSSIBLE SETTLEMENT WITH I.P.C.
AND IT HAS EVEN BEEN SUGGESTED THAT THE COMET
MISSION MIGHT HAVE A PART TO PLAY IN PRODUCING
AN I.P.C. SETTLEMENT. /WE HAVE DONE OUR BEST
TO INSTILL A SENSE OF REALITY, BUT ON THE U.K.
SIDE IT IS MOST IMPORTANT THAT=

(A) FULL ADVANTAGE SHOULD BE TAKEN OF THE
PRESENT IRAQI MOOD WHICH MIGHT OTHERWISE PROVE

~~EPHEMERAL~~

~~(B)5~~

~~ROVE~~

~~EPHEMERAL~~

~~ROVE~~

EPHEMERAL=

(B) THE COMET MISSION SHOULD BE FULLY BRIEFED TO DISCUSS
CREDIT QUESTIONS INCLUDING A LINE OF CREDIT
CAS SUGGESTED IN MY TELEGRAM NO. CRED A 64 OF
18 DECEMBER, 1968.)

FCO PLEASE PASS TO E.C.G.D. AND MINISTRY
OF TECHNOLOGY AND BOARD OF TRADE

EVANS

SENT 0600/25Z JAN

RECD 0740/25Z JAN

NEQ6/2 (7A)

TOP COPY

~~23~~

EN CLAIR

IMMEDIATE BAGHDAD TO FOREIGN AND COMMONWEALTH OFFICE
TELNO 103 29 JANUARY 1969
UNCLASSIFIED

NE

ADDRESSED TO FCO TEL NO 103 OF 29 JAN RFI BOARD OF TRADE.
FROM HAWLEY.

I HAVE JUST RECEIVED A SMALL ORGANISED DELEGATION WHO
SUBMITTED A PETITION FROM +THE ASSEMBLED ARAB MASSES+ PROTESTING
AT THE +SHAMEFUL BIASED ATTITUDE TAKEN BY THE BRITISH
AUTHORITIES TOWARDS THE EXECUTION OF TRAITORS AND SPIES, THE
AGENTS OF ISRAEL +. BRITAIN, IT CONTENDS, HAS IGNORED THE
BARBAROUS CRIMES AND BLOODY SLAUGHTERS CARRIED OUT IN OCCUPIED
ARAB TERRITORY.

2. HEAD OF PROTOCOL HAS ALSO FORMALLY ASKED US TO +POSTPONE+
THE VISIT OF THE COMET MISSION. PLEASE INFORM THEM
ACCORDINGLY.

Na 30/

RECEIVED IN ARCHIVES No.15 29 JAN 1969 NEQ 3/548/1
--

MR. EVANS

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ADVANCE COPIES SENT

NEAR Eastern Sect.

CONFIDENTIAL

7

~~AB 28/1~~
Private Secretary

P.S. to Lord Shepherd
Mr. Arthur

~~S. of S.~~

RECEIVED IN ARCHIVES No. 15
NEQ 6/2.

COMET Mission to Iraq

A mission of COMET (Committee for Middle East Trade) is due to leave for Iraq on 30 January. It was arranged some time ago.

2. The Secretary of COMET has told me that the leader and members of the Mission do not intend to change their plans unless the Foreign and Commonwealth Office specifically ask them to do so in view of the recent hangings in Baghdad and Basra. I have told the Secretary that we should not wish to suggest that the Mission should cancel or delay their visit.

3. We must maintain the distinction between business and politics. But in view of the fact that COMET is an area committee of B.N.E.C. and that part of the costs of the Mission are, I presume, to be paid by H.M. Government in accordance with usual practice, you may think that the Secretary of State should be aware of this.


(G. G. ARTHUR)
28 January, 1969.

c.c. Sir D. Greenhill
Mr. Hayman
Mr. Combs

Leagis have now asked for
COMET mission to be postponed.
I have so informed Secretary.
(See Baghdad Tel. 103 of 29/1).

CONFIDENTIAL

7A

29
1

8

NEQ 6/2.

29 January, 1969.

This is simply to confirm the telephone message, which I passed to you at about 10.15 this morning, that the Head of Protocol in the Iraqi Foreign Ministry requested the Embassy in Baghdad this morning to "postpone" the visit of the COMET Mission.

(G. G. ARTHUR)

H. M. Thomson Esq.,
BNEC Committee for Middle East Trade,
33 Bury Street,
LONDON, S.W.1.

9

~~PRIORITY~~

DWF A 002 (19).

LK3 NR 420/2

PRIORITY 020650Z FEB

FM BAGHDAD

TO ~~PRIORITY PRODROME TEHERAN~~

TELEGRAM
RECEIVED BY
TELEPRINTED AT
GAT

07+2

NE

TO ROUTINE PRODROME LONDON

GR 50/2

BT

RECEIVED IN
ARCHIVES No. 15
5 FEB 1968
NEQ 6/2.

00101. to Tehran
Priority.

Routine

ADDRESSED TO TEHERAN TELNO .1 OF 1 FEBRUARY R F I F C O (FOR

BEAMISH) AND BOT (FOR FAIRS BRANCH) .

FOR CLOAKE FROM HAWLEY.

WE HAVE NO NEWS OF LIMERICK HERE BUT THE COMET MISSION
WAS POSTPONED AT THE REQUEST OF THE IRAQI GOVERNMENT
OF WEDNESDAY 29 JANUARY.

F C O PASS BOT.

MR

EVANS

Im Yr.

BT

GR 50

NNNN

File
N. Easter D
Exp Pres D

(Research requested)

Type 16

8

2

1 Bob

1 File

3200

Turner A.

1a PMMM

8/2

TOP COPY

10

EN CLAIR

PRIORITY TEHRAN TO FOREIGN AND COMMONWEALTH OFFICE

PRIORITY TEHRAN TELNO 1 TO BAGHDAD

1 FEBRUARY 1969

UNCLASSIFIED

ADDSD TO BAGHDAD TELNO. 1 OF 1/2/69,

RPTD FOR INFO TO FCO (FOR BEAMISH AND FOR BOARD OF
TRADE FAIRS BRANCH).

FOR HAWLEY FROM CLOAKE.

WE WERE NOTIFIED BY BOARD OF TRADE TO EXPECT VISIT
FROM LORD LIMERICK TO DISCUSS ASIAN TRADE FAIR HERE
IN OCTOBER. LIMERICK WAS DUE HERE 26 JANUARY BEFORE
JOINING COMET MISSION IN BAGHDAD. WE HAVE NOT HEARD
ANYTHING FROM HIM. IF HE IS NOW WITH YOU, PLEASE LET
US KNOW WHETHER AND WHEN HE IS COMING HERE.

SIR D. WRIGHT

/ADVANCE COPY SENT TO B.O.T./

FILES

N. EASTERN D.

Pa Mmm
6/2



Ent

33 Bury Street, London SW1 Telephone: Trafalgar 1170/2137

Inland Telegrams: Brinatex London Telex 2137

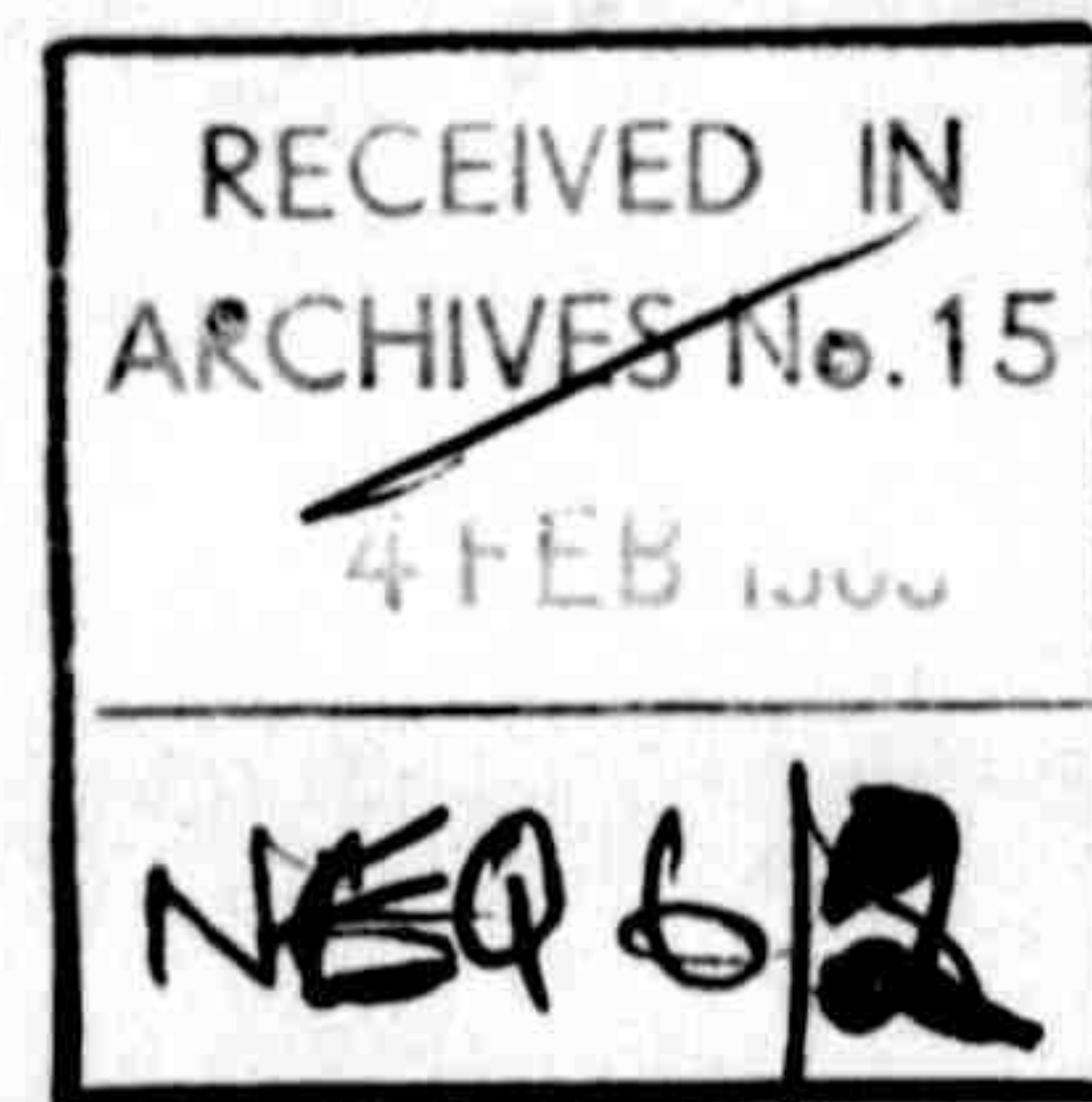
Chairman J K Dick Executive Secretary H M Thomson

Overseas Cables: Brinatex London SW1

Telex: 262264 Brinatex Ldn

29th January, 1969.

G.G. Arthur, Esq., CMG.,
Assistant Under Secretary of State,
Foreign and Commonwealth Office,
London, S.W.1.



Dear Geoffrey,

Many thanks for your letter of today's date confirming your telephone message concerning the postponement of our Mission to Baghdad.

All concerned have now (about midday) been informed. I hope that this is only a temporary setback to this venture, and doubtless you will let us know when the wind is again favourable.

Yours ever,

Hector Thomson

H.M. Thomson.

Mr. Frypp

3.2.

*Noted
on 14/2
PMMH
5/2*

*Accdy. to a recent Tel
from Baghdad, it may not
be long before this is
put on again*

pg 21/3

*3
2*

CYPHER/CAT A

ROUTINE BAGHDAD

TELEGRAM NO. CRED A 105

CONFIDENTIAL

MY CRED A 99

TO BOARD OF TRADE

19 JUNE 1969

RECEIVED IN REGISTRY No. 10 20 JUN 1969 NEQ 6/2
--

NO COPIES MADE

I HAVE CONSULTED THE DEPUTY PRIME MINISTER, TAKRITI ABOUT THIS AND MY COMMERCIAL COUNSELLOR HAS SPOKEN TO THE MINISTER OF FOREIGN AFFAIRS. THEY AGREE THAT COMET MISSION SHOULD COME ON OCTOBER ALTHOUGH THE MINISTER OF FOREIGN AFFAIRS REFERRED SOMEWHAT CRYPTICALLY TO POLITICAL DIFFICULTIES WHICH SHOULD BE GOT OUT OF THE WAY FIRST. IT THEREFORE SEEMS THAT THE WAY IS CLEAR FOR FIRM ARRANGEMENTS TO BE MADE FOR THE VISIT IN OCTOBER, AND IT IS ENCOURAGING THAT, AS REPORTED ELSEWHERE, THE IRAQI GOVERNMENT SEEMS TO BE MAKING A DELIBERATE EFFORT TO IMPROVE ANGLO/IRAQI RELATIONS. RELATIONS ARE, HOWEVER, IN A PRECARIOUS STATE OF BALANCE AND I WOULD NOT RULE OUT THE POSSIBILITY THAT POLITICAL CONSIDERATIONS COULD AGAIN VITIATE THIS MISSION. SHEIKHLY EXPRESSLY ADMITTED TO THE COMMERCIAL COUNSELLOR THAT HE HAD CANCELLED THE VISIT IN JANUARY ON ACCOUNT OF THE SECRETARY OF STATE'S QUOTE INTERFERENCE IN IRAQI AFFAIRS UNQUOTE (OVER THE PUBLIC HANGINGS).

2 IF YOU AGREE WE WILL NOW PUT IN A FORMAL NOTE TO THE MFA PROPOSING A WEEKS VISIT BEGINNING ON 10 OCTOBER.

3 PLEASE INFORM THOMSON OF COMET.

Mr Ball 23/6.
Please note

K. 129
42. N.E. Dept
42. E.P. Dept
Mr. Takriti T.P. Dept

Mr. H. H. H.
OK, 3 min?
19.6

WE HAD
THIS
AT
THE
TIME.

Mr T. H. H. 20/6
 Mr Bell, 23/6.
 Folio (12)

I think this is alright. It can do no harm and ~~can~~ could help our commercial relations. There is a risk that the Iraqis could call off the whole thing at the last moment but the very fact that they have agreed (albeit with no great show of wild enthusiasm) to the reactivation of the mission is a sign that Anglo-Iraqi relations are improving at an official level.

P. M. H. H.
 20/6.

P. M. H. H.
 24/6

2 Xerox

~~Mr. Easton Dpt.~~
 Expat Promotion Dpt.
 Trade Policy (Cuckelville)

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OUT TO BAGHDAD CRED A 63 OF 24/6 UNIT 10 CYPHER/GAT A PATRICK

RECEIVED IN
REGISTRY No. 10
25 JUN 1969
NEQ 6/2

CONFIDENTIAL

YOUR CRED A NO 99 AND HAWLEY'S LETTER A/207 OF 17 JUNE TO THOMSON.
 WE AGREE. PLEASE PROCEED.
 FOLLOWING FROM THOMSON.

2. WE AGREE TO 10 OCTOBER AS FIRM DATE FOR ARRIVAL OF MISSION AND
 LOOK FORWARD TO REPLY TO YOUR FORMAL NOTE.

Comet mission again

Mr. Acland ²⁶/₆
 Mr. Deft

then enter

Mr. Kim ~~change~~ again

PMMHill

25/6

Pa RUA

27/6

A.207

BRITISH EMBASSY,
BAGHDAD.

NEQ 6/2

Mr. A. G. ...

Another meeting

8 July 1969

Copied to

in the Lendulum

NEQ 14/3 § 5

PMH

14/7

Thank you very much for your letter of 1 July about the COMET Mission.

2. I doubt if the situation is quite as gloomy as it might appear from Robert Fitt's letter. You will by now have had a copy of my letter 6/62 of 5 July to News in the Board of Trade. This gives you just about all we know about the present position for foreign Consultants.

3. I had a good talk with K. F. Scott and gave him my general comments about the prospects for a COMET Mission. In brief these are now brighter in some ways than they were. I had a talk with Abdul Wahab Babajan, the Director General of Industrial Design at the Ministry of Industry on 7 July. He, as you know, is a cousin of Sheikhly, the Foreign Minister, and he told me that Sheikhly was now much in favour of the Mission. Babajan was delighted to hear that the likely composition of the Mission would be the same as that projected in January, and said that he would take over the organisation of the programme just as he had for the abortive Mission. In fact - rather to my surprise after the announcement of the Iraq/USSR deal on oil - I found Babajan more forthcoming about the COMET Mission than he has been for many months.

4. Babajan also said that Sheikhly had instructed the Minister of Industry to get in touch with Pat Limerick whom I know the Iraqis would very much like to have on the COMET Mission. The object was not entirely clear but I rather suspect that the Iraqi Government will, having made their arrangements with the Bloc, turn to us for other projects.

5. As regards the Duties Law, the Ambassador was told by Sheikhly that the Ministry of Foreign Affairs would shortly be issuing a clarification to Embassies in Baghdad. He had evidently taken the point about its undesirability so far as foreigners are concerned. Many protests have been made against the Law and I have not heard of any case yet where it has been directly invoked.

6. The pendulum swings very fast in Iraq, as you know, but this is the latest state of play. I hope to see Babajan again in the near future and will let you know if anything further transpires.

H. Thomson, Esq.,
COMET.,
Bury House,
33 Bury Street,
S.W.1.

/7.

COMMERCIAL - IN CONFIDENCE

7. By the way, did you see the article by Paul Martin in The Times of a few days ago? It was the most balanced article on this country that I have seen for a long time.

(D. F. Hawley)

c.c. G. G. Arthur, Esq., C.M.G.,
Assistant Under Secretary of State,
F.C.O.,
London, S.W.1.

L. A. C. Newns, Esq.,
C. R. & E. Department,
Board of Trade,
1 Victoria Street,
London, S.W.1.

33 Bury Street, London SW1 Telephone: Trafalgar 1170/2137

Inland Telegrams: Brinatex London Telex 2137

Overseas Cables: Brinatex London SW1

Telex: 262264 Brinatex Ldn

Chairman J K Dick Executive Secretary H M Thomson

CONFIDENTIAL

COMET (69) EIGHTH MEETING.

Agenda for the Eighth Meeting
to be held at
33, Bury Street, St. James's, S.W.1.
on Thursday, 17th July, 1969

1. Attendance.
2. Minutes of last Meeting.
3. Matters arising from Minutes:-
 - (a) Item 3 (a) - Second Asian Fair, Teheran.
 - (b) Item 7 - Direction of Promotion Effort.
4. Political Review.
5. Economic and Commercial Review.
6. Ministry of Overseas Development Review.
7. COMET Mission to Iraq.
8. Possible Activity in Kuwait.
9. Any other Business.

*happened
the Brief
prepared for
that meeting
MB 8/6*

CONFIDENTIAL

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RECEIVED IN
REGISTRY No. 10
- 2 JUN 1969

COMMITTEE FOR MIDDLE EAST TRADE

Minutes of the Seventh Meeting held at NE 6/3
33, Bury Street, St. James's, S.W.1.,
on Thursday 15 May, 1969.

Present: Mr. J.K. Dick - Chairman

Sir Charles Denman
Sir Charles Duke
Mr. R.I. Hallows
Mr. J.D. im Thurn
Mr. M. Kewley
Mr. W.E. Rose
Mr. A.C. Smith

Mr. J. Ashwood
Mr. R.H. Belcher
Mr. D.M. Jaffray
Mr. D.J. McCarthy
Mr. T.H. Sinclair
Mr. P.G.A. Wakefield - British Embassy, Benghazi

Mr. W.J. Heygate - ENEC
Mr. E. Chisman - BNEC

Mr. H.M. Thomson - Secretary
Mr. A.L. Butt - Assistant Secretary

*Ep
6.*

1. Attendance

Apologies for absence were received from
Mr. J.C.B. Edwardes and Lord Limerick.

The Chairman welcomed Mr. Peter Wakefield, who was on
a short visit to the U.K., and Mr. J. Ashwood of the Board
of Trade who had recently returned from a visit to the Gulf
countries.

2. Minutes of the last Meeting

The Minutes were approved.

3. Matters arising from the Minutes

(a) Item 3 (b) - Second Asian Fair, Teheran.

The Secretary said he was making active enquiries
about the availability of a pipe band. (This has now been
arranged).

(b) Item 3 (c) - Market Research, Sa'udi Arabia.

The Assistant Secretary reported that the firm
Industrial Export Surveys had been commissioned to carry
out the project, and their representatives were already in
Sa'udi Arabia.

(c) Item 8 - COMET Membership.

It was agreed that the Chairman should invite a representative of (1) a firm of overseas contractors and (2) a consultancy firm to join the Committee. Other suggestions were representatives of chemical engineering and the motor industry.

4. Political Review

Mr. McCarthy gave a report on the main events during the last two months.

5. Economic and Commercial Review

Mr. Sinclair made some comments on commercial matters. Exports to the area during April totalled approximately £30 million.

He reported a possibility that a British showing at the annual Baghdad Fair in October might be organised by local agents. (A British Pavilion is now definitely to be arranged).

Mr. Jaffray, of ECED, reported that agreement had been reached in principle with Egypt to renew short and medium term credit to the extent that they pay outstandings up to a 5 year term. With regard to Sudan, ECED is guaranteeing up to £2½ million this year and £2½ million in 1970, but so far no orders have been received against the first tranche due on 1st June.

6. Ministry of Overseas Development Review

Mr. Belcher gave a review of his Department's activities in the area.

7. Direction of Promotion Effort

It was agreed that Algeria was a potential and important market for British goods and services. It was suggested that a visit to Algeria should be made by a member of the Committee to see what was available.

8. Any Other Business

(a) Mr. Wakefield gave a report of Libya. He noted that contracts would arise from the present visit to London of the Minister of Communications. He thought that such visits of government officials and businessmen were of some importance. They had money to spend and needed guidance to see what was available.

Details of the new Five Year Plan, a huge document, were in process of translation.

There is a good market for export goods and the Government are going to spend a lot of money on agriculture, but the consumer market is largely tied to Italy.

(b) Mr. Ashwood spoke of the recent Commercial Officers' Conference at Abu Dhabi, and of his visit to the Gulf States, Muscat, Kuwait and Beirut. There had been criticism of delayed deliveries (e.g. equipment for the earth station in Bahrain), and it was felt that more frequent visits by British exporters would be beneficial.

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ROUTINE BAGHDAD

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TO BOARD OF TRADE

11 AUGUST 1969.

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^{N.R.}
THOMPSON'S LETTER OF 15 JULY: COMET MISSION

THE MINISTRY OF INDUSTRY TOLD ME TODAY THAT HE WOULD WELCOME
THE COMET MISSION ON 10 OCTOBER AND PROMISED TO TRY TO EXPEDITE
A FORMAL REPLY TO OUR NOTE TO THE MFA. PLEASE INFORM THOMSON
OF COMET.

62 HAWLEY

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Mr. [Signature]

***With the compliments of
(D. F. Hawley)***

14.2

G. G. Arthur, Esq.,
Assistant Under Secretary of State,
F.C.O.

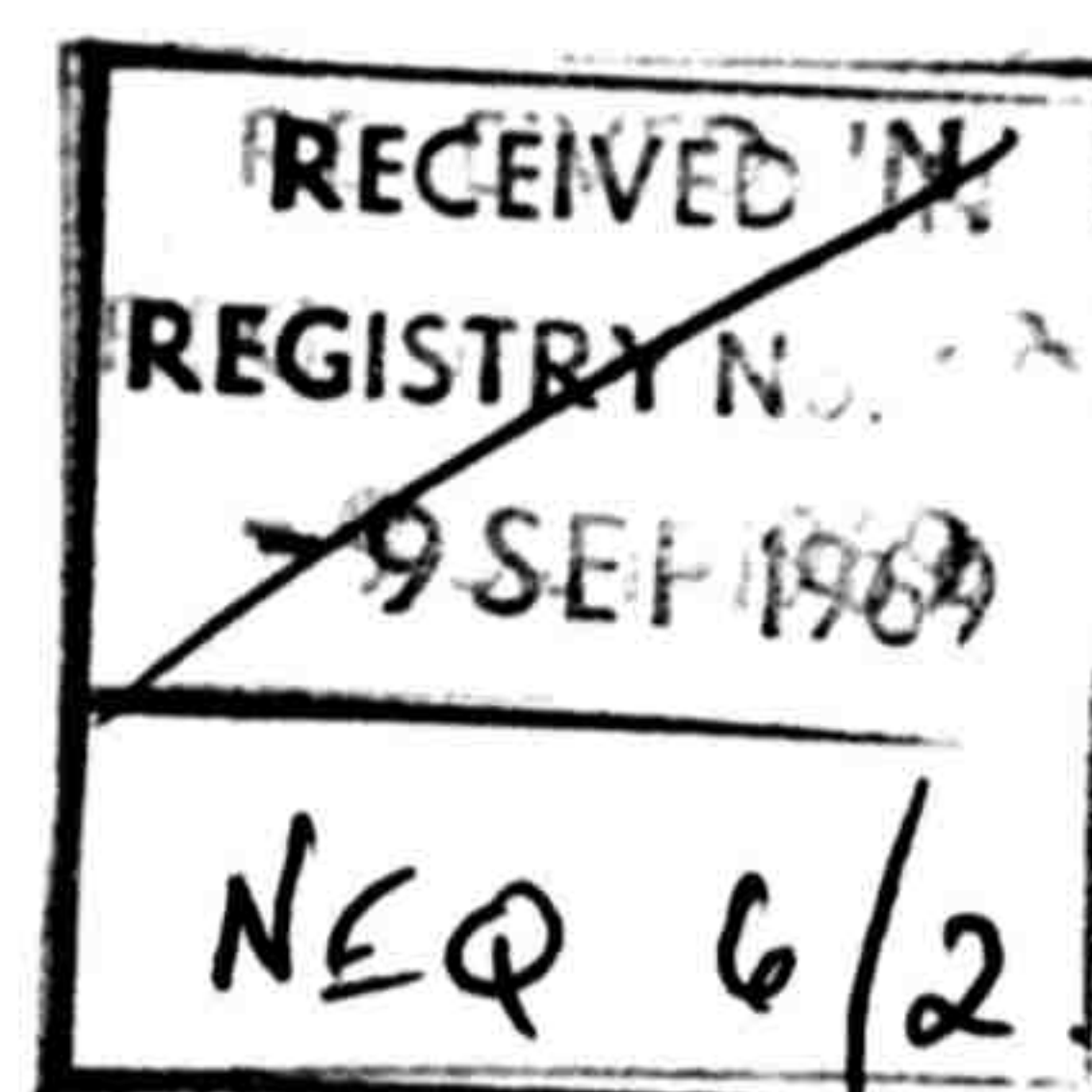
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BRITISH EMBASSY	
NEQ 6/2	BAGDAD

8 July 1969

Mr. [Signature]

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Mr. Hayman

Call by Mr. Dick of Mitchell Cotts

3 p.m., 4 September, 1969

You asked Mr. Tripp before his departure on leave for advice on why Mr. Dick wanted to discuss Iraq with you. You wondered if his call was concerned with Mitchell Cotts activities in Iraq. It is likely that Mr. Dick will be calling in his capacity as leader of the forthcoming Committee on Middle East Trade (COMET) mission to Iraq rather than as the Chairman of the Mitchell Cotts Group, who, according to the Board of Trade have only minimal interests in Iraq.

2. Mr. Dick may be worried about the mission going out to Baghdad at a time when the political climate in Iraq may not, in his view, be favourable for an expansion of Anglo/Iraqi commercial relations. He probably has in mind that in January this year a COMET mission (with the same membership) was on the point of setting out for Baghdad when the visit was postponed at the last moment at the request of the Iraqi Government. The Iraqis had reacted strongly to the critical comment in this country aroused by the spy trial and subsequent executions in Baghdad and Basra at the end of January.

3. Although at an official level Anglo/Iraqi relations have remained fairly cool since their deterioration in January and despite the Ba'ath regime's determination to form increasingly close ties with the Soviet bloc, there are still commercial opportunities for the British businessman in Iraq and there are influential elements within the regime who would welcome the chance to do business with the West in general and with Britain in particular.

4. With these commercial considerations in mind, we have, together with the Board of Trade kept under review the possibility of reactivating the COMET mission. Our Embassy in Baghdad, earlier this summer, sounded out the Iraqi Deputy Prime Minister (General Takriti) and the Minister of Foreign Affairs (Sheikhly), and reported that the Iraqis had informally agreed that the mission should go out in the first half of October at the time of the Baghdad Fair. Formal agreement has now been received.

5. We hope that the mission will be able to visit Baghdad as planned. Nevertheless, given the uncertain situation in the Middle East, we cannot rule out the possibility of this

/visit...

S E C R E T

visit being postponed again by the Iraqis or ourselves. However as you may wish to point out to Mr. Dick, such a situation has not yet arisen and for us to take the initiative in postponing the mission's visit would unnecessarily damage Anglo/Iraqi relations, especially since we made all the running with the Iraqis to persuade them to agree to it. There is also a good chance that the visit will stimulate Anglo/Iraqi trade.

6. Mr. Dick may also raise the subject of Chieftains for Israel. He is aware of the background to this and has twice written to the President of the Board of Trade expressing his concern that should a major arms deal with Israel go through, the effect on British commercial interests in the Middle East would be disastrous. He has recently spoken to Mr. Arthur, indicating that he suspects that a decision is imminent. You might say that you fully appreciate Mr. Dick's concern which is shared by many businessmen and commercial organisations with interests in the Middle East. Although it would probably be better not to give Mr. Dick at this stage an indication of the likely timing of the O.P.D. meeting, the fact is that it may coincide with the departure of the COMET mission to Iraq.

AA Acland

(A. A. Acland)
4 September 1969

c.c. Mr. Arthur

Per Arthur

Dr Arthur
over

s e c r e t

Mr. Arthur ✓

Mr. Acland

D. 9.
AMM 8/9



Mr. Dick called yesterday and I spoke to him on the lines of this brief. He recognises the potential importance of the COMET Mission but realises that there are various developments which might prevent the Mission going at all.

We talked about Chieftans. He did not give me any indication that he knew of the date of the O.P.D. meeting, but as he is so well informed on this subject generally I would guess that he has a shrewd idea about it.

Mr. Dick is going off on leave to Cyprus on 15 September After that he is visiting Tehran and proceeding from there to Iraq if the visit still takes place. Mr. Hector Thompson, the Executive Secretary of the Mission, will leave London at the end of September to join Mr. Dick and others in Tehran before going to Baghdad. I promised that the Department would give Mr. Hector Thompson an up-to-date briefing before he leaves.

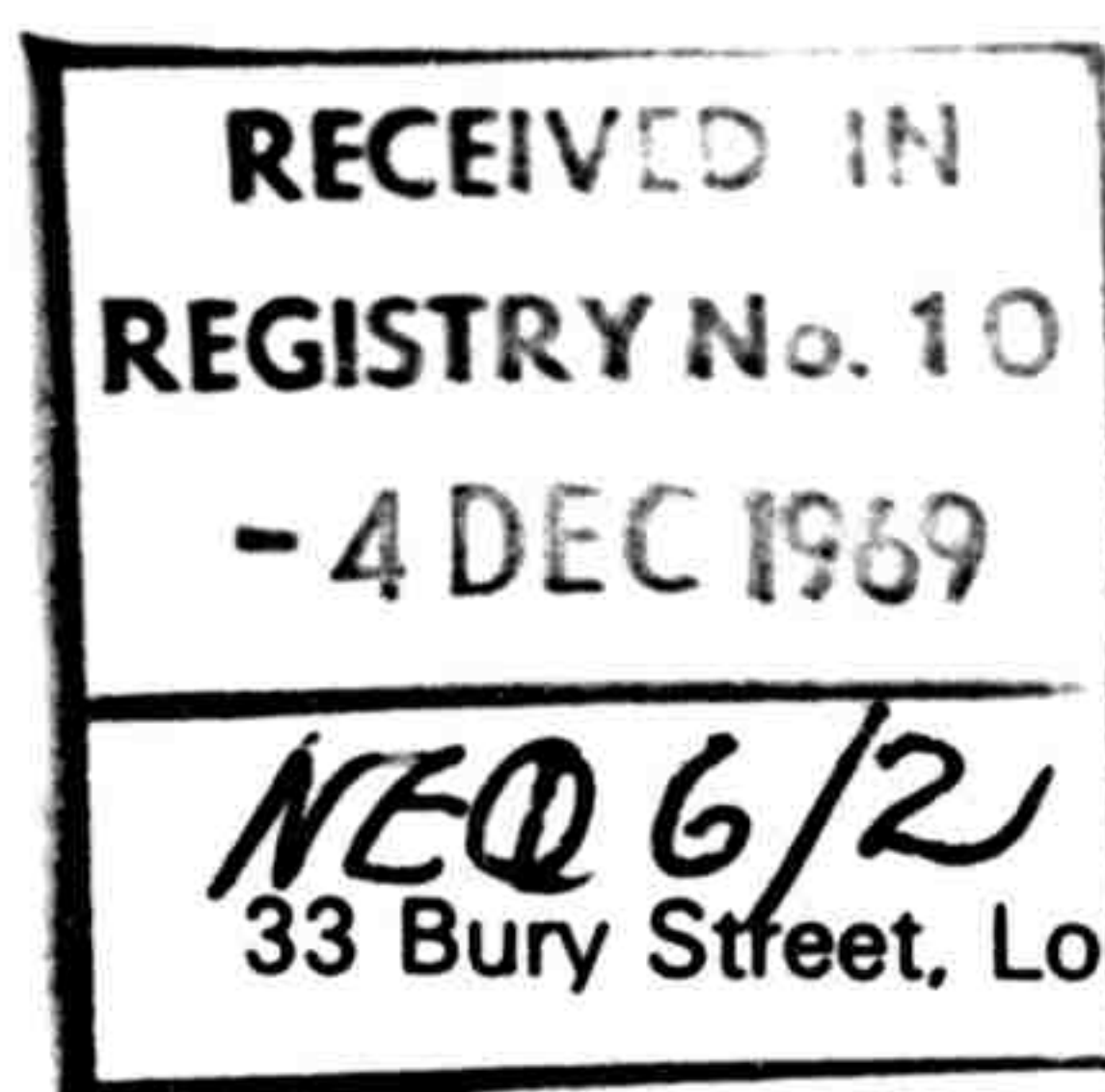
R.H.

(P. T. Hayman)
5 September, 1969.

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(17)

Chairman J K Dick Executive Secretary H M Thomson

Inland Telegrams: Brinatex London Telex 2137
Overseas Cables: Brinatex London SW1
Telex: 262264 Brinatex Ldn

2nd December, 1969

G.G. Arthur, Esq., C.M.G.,
Deputy Under-Secretary of State,
Foreign & Commonwealth Office,
Downing Street,
Whitehall,
London, S.W.1.

*Mr. Hinchcliffe. draft min
N.F.D. I have not yet read
Any comments?*

Dear Geoffrey,

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12 hu.*

I enclose a copy of a Draft of
our Report of the Iraq Mission. Two copies have
been sent to the Embassy in Baghdad, and I have
asked for their comments by cable as quickly as
possible. I shall be very grateful if you will
let me have any comments you may have in the near
future.

Yours ever,

Hector Thomson

H.M. Thomson.

~~Mr. Arthur~~

J. L. [unclear]

10.12

Mr. TrippReport of Comet Mission to Iraq - October 1969

p. 17 ---

Mr. Arthur asked for comments on the above report. Mr. Makinson has studied this and I do not think there is anything of substance on which we would wish to comment to Mr. Thomson, or to have incorporated in the report. I therefore attach a draft acknowledgment.

2. The report is largely background information which makes much of the old British connection. It points out that Britain's share of Iraqi imports has dropped to one third of the 1959 level. But this is true, to some degree, over most of the Middle East, and much of the world (para. 7).

3. There have indeed been Ministerial visits from Iraq, but as far as I know, no significant business has resulted. The Minister of Municipal and Rural Affairs who is given special mention, in fact spent practically all of his visit ill in bed (para. 13).

4. Much is made of Iraq's agricultural and oil potential. This is not in dispute; the tragedy is that there has been a recession since 1958, and the causes cannot be laid at the door of British business. (There are some canals of Shapur II still unused). (para. 22).

5. The difficulties which "inhibit international response to calls to tender" (para. 56) are indeed at the root of the problem, and there is little we can do about them.

6. In general, the report seems to me to be rather too optimistic in tone.



(A. A. Acland)
9 December, 1969

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SECOND
DRAFT

REPORT OF THE MISSION TO IRAQ - OCTOBER, 1969

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

1. Ten years ago Britain supplied 31% of all Iraq's imports. Last year this share had dropped to 9.2%. A serious effort must be made to regain a sizeable share of this market. In a country with which we have had close and friendly relations for over 50 years, this should not be impossible.

Time of most of the M.E. (but see para 6 below)

This ignores 1958 events & subsequent developments.

2. In Iraq there is a strong local preference, based on quality and familiarity, for British products, especially for plant, machinery and equipment at the user level. This is not a sentimental delusion, but a statement made to the Mission on a number of occasions. This is an advantage shared by none of our competitors. ✓

3. A principal cause of lack of success is loss of contact between British business and the Iraqi market. Some of the principal reasons for the non-appearance of British business visitors in sufficient numbers in the recent past are discussed in the following pages. ✓

4. The next Five Year Plan, 1970-74, due to be published next spring, will be a key document for British exporters. Total expenditure envisaged is ID. 973 millions, including ID. 490 millions earmarked from oil revenues and ID. 283 millions expected to be invested by the private sector. The most promising fields of opportunity for export will be in agricultural development and the enlargement of the industrial sector, especially in the supply of manufacturing and processing equipment for the latter. ✓

5. The public sector has now been given a dominant position in both industry and commerce and its importance will continue to grow, but the Government of Iraq fully recognises the essential part which must be played by the private sector in the full economic development of the country. ✓

6. Finally, exporters of both goods and services are urged to establish or renew their personal acquaintance with this important market, in which they will find they are most welcome, ✓

INTRODUCTION

1. After a preliminary visit made by two members in late 1968, the EUEC Committee for Middle East Trade (now fairly well known both in the United Kingdom and the Middle East as COMET) decided that it would be desirable to send a Trade Mission to Iraq during the course of 1969. The reasons for this decision are explained in the next chapter. Our visit, originally planned for February, 1969, was postponed for reasons beyond our control, and eventually, with the approval of the Government of Iraq, a date in October was selected.

2. The Mission was composed as follows:-

Leader Mr. J.K. Dick - Chairman of COMET and of the Mitchell Cotts Group.

Members The Earl of Linerick - a Deputy Chairman of COMET and a Director of Kleinwort Benson Ltd.
Mr. R.L. Fitt - a Member of COMET and a Partner in the firm of Sir Alexander Gibb & Partners.
Mr. C.M. Jarvis - Deputy Chairman of the British Agricultural Export Council.

Secretary Mr. H.M. Thomson - Secretary of COMET

3. We spent a full working week, from October 10 to 16, in Baghdad. The very detailed programme which had been arranged for us by H.M. Embassy included discussions with a large number of the personalities and organisations responsible today for the planning and control of the economy of Iraq. We should like to express our gratitude to all these, both Ministers and senior officials, who made us extremely welcome and devoted time and trouble to answering our questions and explaining the plans and policies of the Government.

4. We are indebted to H.M. Ambassador and his staff, in particular to the Commercial Counsellor, for their hospitality and assistance.

GENERAL

5. Since its formation in early 1963, COMET has sent twelve different Trade Missions to various parts of the area for which it is responsible, their objects being the establishment of friendly relations at a high level, the creation of a favourable atmosphere for British business and the publication of a brief

survey of trading prospects and potential, rather than immediate sales of goods and services. The very first of all these visits was made to Iraq in May 1963. Since then, though many individual members of COMET have made frequent visits to the Middle East, our own recent expedition to Baghdad was the first example of a second formal visit being made by a representative COMET party to any country. ✓

6. Clearly much has happened in the intervening six and a half years, including an interruption in diplomatic relations in 1967/8 which lasted approximately a year, and a temporary ban on the import of British goods. The lapse of time itself has been more than long enough to justify such a return visit, and the political and other changes which have taken place in the interval have meant that there are new contacts to be made, and a fresh assessment of the prospects for trade was perhaps overdue. But the principal reason for our decision to mount a Mission in 1969 was our corporate view that Britain's share of the market in Iraq has for some years past been less than satisfactory. At a time when there are many encouraging indications in our progress in the region as a whole, lack of success in one particular country, in the past one of our most important Middle East trading partners, seemed to demand some special consideration. ?

7. Ten years ago, Britain supplied nearly a third of all Iraq's imports from all over the world. In 1968, our share fell below the 10% mark. In a more limited context, in 1959 Britain supplied 43% of Iraq's imports from the leading industrial countries of the free world. The comparable figure for 1968 was 19%. (The actual figures are at Appendix A). Fortunately the figures now available for the first half of this year are more encouraging but until this year the trend has been steadily downwards. ✓

8. Some of the reasons for this steady reduction in the volume of our exports are obvious and well known. In the early sixties, development programmes in Iraq were cut and the pace of economic development slackened. Returning confidence in 1964 received a serious set-back when nationalisation measures were announced in the middle of that year. But our export figures over this period were a reflexion of the economic situation in Iraq, and all the principal foreign suppliers were

equally affected. In 1966, a good year, both performance and prospects were much more promising, but the war of 1967 and the consequent break in diplomatic relations put at least a temporary end to British hopes of recovering lost ground.

Some observers might have expected, in

9. It is of course in no way surprising that the political events and vicissitudes of the last ten years should have had their effects on the flow of trade. *The* early years of the Republican era in Iraq might have been expected to see some loosening, even if only temporary and intermittent, of the very close and friendly connexion which has existed between our two countries for many years. *In fact* ~~up to this~~, from a commercial point of view - the only point of view with which this report is concerned - it is noteworthy, but perhaps not sufficiently well known, that in every year until 1963 Britain has headed the list of Iraq's foreign suppliers, in many of these years by a very considerable margin. Since 1963, combined imports from all the Eastern Bloc countries have exceeded the British contribution, but no single country has passed the British total in any year until Japan did so by a small margin in 1965.

10. Why then should Britain's export performance be described as less than satisfactory in the recent past? Simply because, in our view, more attention could and should have been paid to this market since the resumption of diplomatic relations eighteen months ago. Like all those who are in any way engaged in the business of export promotion, we consider that the time for indulging in massive exhortation of British industry and commerce has passed. They are bored with it, and justified in being bored with it. But in particular cases, of which Iraq today appears to us to be one, it may be necessary to point the way from time to time.

11. There are particular reasons to support the view that this market could repay special attention at the present time. There is, as all who know the country will agree, a very strong preference for British goods of all kinds. Many Iraqi engineers and other users have been educated in Britain or trained in Iraq

by British engineers. This preference is an advantage shared by none of our competitors either from the West or from the East. We were repeatedly assured of this fact during our visit. And while it is true that the users in the public sector are not always free to obtain the equipment of their first choice, for reasons which may be either commercial or political, this is an advantage not to be forgotten or disregarded.

12. A word on the importance of training may be appropriate in this context. This preference for British equipment is based not only on acknowledged quality but on familiarity. It is therefore highly desirable that the Iraqi engineers and technologists of tomorrow, as well as those of today, should have opportunities of being trained in Britain, and any British companies who have training facilities to offer, would be well advised to keep Iraq in mind.

13. On a higher level than that of the user, we had direct evidence that some of those who are controlling the economy of Iraq would be interested in seeing Britain play a larger part in the present phase of development. We referred in paragraph 1 to a reconnaissance visit made by two of our members a year ago. This was immediately followed by a brief visit to this country by the Iraqi Ministers of Planning and Industry, and their Directors-General. The Minister of Industry was one of those who kindly devoted time and trouble to our recent Mission. He prefaced his own opening talk with an expression of considerable disappointment that these visits had so far produced no concrete results of any importance. The Minister of Municipal and Rural Affairs has already visited this country since our return, on this occasion with special reference to his requirements in the field of public transport, and it is hoped that others will follow.

*Spent the
time sick
in bed*

14. Since June 1967 imports from both the USA and West Germany have been prohibited. The ban is not total, and certain essential items are admitted, but it does mean that exports from these two countries, which were our principal competitors, are severely restricted.

15. Since the beginning of 1969, the import of consumer and consumer durable goods from Italy, Denmark, Finland, Hungary,

Rumania, Poland and Japan has been prohibited, not for political reasons, but in an attempt to rectify the imbalance of trade between Iraq and these countries. The import of capital goods from Italy, Denmark, Finland and Greece is now subject to quotas. It is important that these temporary additional factors which exist in the Iraqi market should be brought to the notice of British exporters. There are no special restrictions of any kind on the import of British goods.

16. Why, then, and how has Britain failed to make good use of the opportunities and advantages which we claim exist? Naturally we had a number of complaints, as we invariably do, on the score of prices, delivery dates, credit terms, administrative delays, spare parts and maintenance, etc., but such complaints are a commonplace of such discussions and are directed at all foreign suppliers. They are not to be shrugged off as unimportant. They are a cause, but not a principal cause, of failure to increase our export figures. One of the principal causes of this failure, in our view, is the absence of the British business visitor from the market.

17. He has not been seen there in sufficient numbers during the last eighteen months. We are well aware that he has not by any means been entirely absent, and the current figures are evidence of the useful progress being made by a number of companies selling to Iraq. But it is a fact, which has been noted with regret in Iraq, that commercial contact on the scale which was customary before 1967 has not been resumed.

18. The reasons are perhaps not far to seek. Reactions in this country, on a purely political level, to events and tendencies in Iraq have not always been acceptable in that country. Reports and comments in the Press of both countries may have given British industry and commerce the impression that they might not be welcome in Iraq. We do not believe that this is true. We have been aware ever since 1967 that the private sector in Iraq have been anxious for us to resume contact. We have now returned from a week of discussions largely with those who control the public sector, and we consider that the time has come for encouragement to be given

to British business to return to Iraq or to visit it for the first time. There is business to be done. ✓

19. Previous COMET Missions have published Reports in the form of a brief handbook or simple guide to the economy and trading habits of the country under review, for the benefit of exporters not familiar with the area. On this occasion, since we were revisiting Iraq, we have thought it better to assume that information concerning topography, climate, population, political structure, etc, etc., will be obtained from other sources as required. Our main impressions and principal recommendations are contained in the foregoing paragraphs, but it is hoped that the following pages may be useful to those who are either out of date or new to Iraq.

THE NEXT FIVE YEAR DEVELOPMENT PLAN 1970-74

20. Formal economic planning was adopted in Iraq in 1950 with the establishment of the original Development Board. The structure of the planning machinery has been modified from time to time, and the Ministry of Planning, set up ten years ago, is now in overall charge of economic development. The Mission were able to meet most of this Ministry's senior officials (the Minister himself being absent from Baghdad), and were much impressed with the thoroughly professional approach to their tasks adopted by this young, determined and enthusiastic body.

21. While the history of planning is of considerable interest, the Plan of importance to British industry and commerce is the next one, which will cover the period from 1970 to 1974. This will be published in March or April 1970, and should be a key document for all who are interested in doing business with Iraq. During the period a total investment of ID. 973 millions (ID. 9.857 equals ^{£1}one pound sterling) is envisaged. Of this total investment, ID. 490 millions will be contributed directly from oil revenues, ID. 200 millions is expected from public organisations, and ID. 283 millions from the private sector. Of the ID. 490 millions, ID. 200 millions are allocated to agriculture, ID. 170 millions to industry and the remaining ID. 120 millions are allocated to infrastructural requirements in the fields of transportation, communications and buildings of all kinds. Allocations or forecasts of allocations within the totals of the other two elements are not yet available.

22. For the first time in the history of planning in Iraq, agriculture is given the first priority. There can be no doubt about the wisdom of this decision. Iraq's agricultural potential is immense and, apart from oil, represents the real future of the country's prosperity. In the forthcoming phases of development, there should be important opportunities for British exports and services (see below) in this sector.

*it has been
running down
since 1958.*

23. Under subsequent headings, notably Agriculture and Industry, we refer briefly to fields of opportunity, in general terms, for British business. Our experience suggests that it is unwise, in any document of this kind, to be specific about particular projects that have been mentioned as opportunities, not only in Iraq but anywhere in the world. One project, for example, may be the special favourite of one Ministry, but fail in due course to find approval with higher authority. Another project, confidently put forward, might be abandoned as unrealistic without our being aware of it, and a contract for yet another might be awarded to a competitor at the moment of going to press. It is best for suppliers of goods and services to attempt to keep in touch with the situation through their own channels. At the same time, major exporters need hardly be reminded of the assistance which can be given by the Board of Trade through not only the Commercial Relations and Exports Department and Exports Services Branch, but in this context, the Overseas Projects Group. COMET's office will always be glad to help as far as it can with obtaining information. ~~XXXXXXXXXXXXXXXXXXXX~~

24. The immediate task of the planners in Baghdad is to select projects for the initial stages of the next Plan, and on this they are now engaged. We were assured that from now on no major project will be undertaken until it has been proved viable by a careful pre-investment study. Projects which are considered attractive will be allocated to a study pool, and will emerge from there on the road to implementation only if and when higher authority is satisfied that they are realistic. Since the number of projects for study will be considerable, it seems unlikely that Iraq will be able to undertake the whole of this work within the limits of her own resources, and there may well be opportunities for British consultants in this field.

25. Foreign consultants are now always appointed by the Ministry of Planning. It is Government policy to encourage the development of the Iraqi consulting profession, which will be given preference over foreigners where possible. Where foreign firms are employed, this policy requires Iraqi consultants to be associated with them to the extent of not less than 25% of the value of the work.

26. THE ORGANISATION OF THE MARKET

The Public Sector

26. The State is clearly, and naturally, the dominant factor in the field of development, contributing 70% of the estimated expenditure over the next five years. In addition to this, in the field of ordinary commercial exchanges, State trading is now a permanent feature of the Iraqi scene, and growing in importance.

27. Outside the Government Departments proper, two most important bodies from the point of view of exporters are the General Establishment for Trade and the State Organisation for Industry. The General Establishment for Trade now handles 25% of all imports into the country. The names and addresses of the companies which make up these two organisations are listed in appendices B and C. Some of the companies within the State Organisations are the successors to companies nationalised in 1964, and others are ~~public~~ formations created since that time. The import allocations of the six companies (excluding the General Export Company) which make up the General Establishment for Trade amounted to no less than ID. 43 millions, *in 1969.*

28. All imported goods are on quota and require an import licence. These licences are issued in the early months of this year. The total programme for 1969 amounted to just under ID. 160 millions, the bulk of which was allocated to the public sector, including the ID. 43 millions mentioned above. (Import licences are valid for twelve months only, and delays in delivery can therefore result in very serious problems). This was divided into ID. 57 millions for capital goods, ID. 55.8 millions for non-durable consumer goods and ID. 14.8 millions for durable consumer goods, giving a total increase of ID. 37 millions over the 1968 import licence programme.

29. In general, the companies within the State Organisations are now in competition with the private sector for agencies for foreign goods. This point should be borne in mind by British suppliers. In particular, we were repeatedly told, in a number of different interviews, that in the case of large scale supply contracts the Government Department or Agency concerned wishes to deal direct with foreign suppliers, and not through an intermediary or agent in the private sector. We were given to understand that some British suppliers appear reluctant to adapt themselves to new methods of doing business in Iraq. It is easy to comprehend why British principals should be reluctant to sever or modify old established and valuable connexions in the private sector, but the point was made so frequently and with such force that we are bound to repeat it with emphasis. EN

30. In addition to the State Organisations, there are such independent bodies as the Basrah Port Authority, Iraqi Railways and Iraqi Airways, which have their own purchasing programmes. Iraqi Airways operate British aircraft, Trident and Viscounts.

III. The Private Sector

31. While the importance of the public sector continues to grow, and is reflected in its share of import allocations, the activities of the private sector and its allocations remain at a fairly constant level. Its share of the 1969 import licences was about ID. 40 millions, or roughly 25%. We had discussions both with the Baghdad Chamber of Commerce and with a number of private merchants. Subject to the relevant importance of the two sectors which we have outlined above, there seems no reason to believe that the private sector is liable to be extinguished or indeed seriously further diminished.

32. An important passage from the general outline of the next Five Year Plan reads as follows:

"Overall planning in Iraq does not mean complete administration and supervision of all economic aspects. The Plan will be obligatory to the public sector and only directive to the private sector. We have the intention to preserve the scope of the private sector activities and the individual initiative in such a manner that the State's participation in

such an activity will be limited to the necessary extent of directing this sector towards the objectives of national development and social justice. Thus, with the intention to direct the investments of the private sector properly to contribute in the national development process within the general framework of the coming plan, we suggest, as an example only, some projects that the private sector is encouraged to undertake and for which we will provide the feasibility studies and primary surveys as an incentive measure to this sector".

33. In other words, it is accepted that the private sector has not only an important but an essential part to play if the objectives of the planners are to be achieved. At the same time it must be pointed out that the Government has no intention of allowing very large units to develop in the private sector. The largest capitalisation permitted under present regulations is ID. 70,000. But the mere fact that the private sector is expected to contribute ID. 283 millions of investment, nearly one third of the total, during the period of the coming Five Year Plan must be regarded as evidence of their intentions in this field.

AGRICULTURE

34. The most significant and most welcome factor in the new Five Year Plan is the allocation of ID. 200 millions to agriculture, the largest allocation given to any single sector. More than 50% of the total population are engaged in agricultural pursuits and are directly dependent on the land, and a further 20% are indirectly dependent on it. But while roughly half of the total land is estimated to be cultivable, less than a quarter of this is actually used.

35. Principal crops are barley, wheat, rice, cotton and dates. Output in the past has varied considerably with rainfall and the availability of water for flood irrigation, and, in some periods, on account of political conditions. Iraq has from time to time exported considerable tonnages of grains, notably barley, but in more recent years the necessary quantities have not been available. Meanwhile conditions in the international market for barley have changed, and if an important increase in barley production is envisaged, some new markets will have to be found. Above all, a steady, continuous exportable surplus would have to

be assured.

36. Irrigation therefore, in this climate and topography, is a key factor, and will undoubtedly absorb a considerable proportion of the funds allocated under the Plan. Apart from civil engineering works both major and minor, there will be large requirements for pumps and other equipment in this field. An indication of the importance with which this subject is regarded by the Government is the recent elevation of the Department of Irrigation to the status of a Ministry.

37. In addition to irrigation, the existence of a salt problem over much of the area means that drainage will also be necessary. The Mission were given an estimate of £75 per acre based on a system using four inch tile drains at fifty metre intervals, including drainage channels, outfalls and all necessary pumping equipment. In view of this very heavy cost, they recommended investigation of other forms of drainage, including the new technique of mole-laying continuous perforated plastic pipe or the use of the mole plough, which might show a considerable saving.

38. As the Plan develops, requirements for agricultural machinery, not yet nearly as extensively used as it could be, and implements will grow. In this field, we met an example of the State's interest in playing a major part in the field of commerce. Agricultural imports are purchased by a number of Government Agencies or Companies, the most important of which is the Agricultural Chemical and Machinery Company. This Company is in the market for agencies, having already obtained one for a non-British combine harvester, and also controls the import licences allocated to the private sector. They would like to obtain further agencies. British agricultural equipment is undoubtedly the most popular in Iraq.

39. The animal population of the country consists of approximately 11 million sheep, 3 million goats and 1.5 million cattle, including water buffaloes. It is not considered that the British sheep has much to contribute to the development of this branch of the industry, though crossing in some parts of the country, especially in the uplands, could result in improved performances. Milk and beef are supplied both by cattle and by water buffaloes, and it is the policy of the Department of Animal Resources that the dairy cow should be improved and

gradually supplant the water buffalo, except in the marshy areas of the south, where the water buffalo has its natural habitat. There will be opportunities for the export of dairy cattle and semen, particularly of the Friesian breeds. Some of the characteristics of this breed can be seen here and there among the local animals.

40. There is an admirably managed dairy farm complex, based entirely on water buffaloes, about 25 kilometres from Baghdad, which provides an excellent supply of milk, cheese, butter, yoghurt, cream and ice cream to Baghdad. Buffalo milk is particularly rich in fat. It is intended that similar farms and creameries will be established to serve other main centres of population, and there should be considerable prospects for the supply of dairy equipment and processing plants of all sorts.

41. The poultry industry is also on the move. The General Poultry Company, another State owned establishment, has as its general objectives the production of six million kilograms of poultry meat annually, three hundred million table eggs, nine million day old chicks and forty thousand tons of poultry feed. The production of meat has risen from 34 tons in 1965 to 732 tons in 1968. Projects still in the planning stage include three for table egg production, each with an annual capacity of 70 million eggs, and three for hatching egg production, each with an annual capacity of 5 million eggs. British equipment is already well known, and there are clearly good prospects in this field.

42. There are plans for the expansion of the production of sugar, from both beet and cane, and refining.

43. Iraq is in most years the largest producer of dates in the world. While there is normally no difficulty in disposing of the first quality table dates, there is from time to time a considerable surplus of second quality industrial dates. Britain's average import - all of table dates - is about 5-7 thousand tons. It is possible, though there are serious technical problems, that these industrial dates might be used in animal feeding stuffs. It is hoped that an examination of these problems will be undertaken with a view to helping Iraq over the date surplus.

44. Estimates have been made that implementation of present plans to increase the production of grains, vegetables and meat could reduce Iraq's import bill by ID. 35 millions in

the foreseeable future, and provide surpluses for export. In addition to this, the principal reasons for the predominance of agriculture in the new Plan are the fact that such a high proportion of the population are already engaged in it; the fact that there is general recognition of the need to lessen the high degree of dependence on oil revenues, a task to be shared by agriculture and industry; the Government's determination to contain and if possible reverse the drift from the land to the town; and the necessity of providing food for a steeply rising population, growing at the rate of about 3.5% per annum.

INDUSTRY

45. The petroleum industry is by far the most important in Iraq, accounting for 4/5ths of the country's foreign exchange earnings and 2/3rds of total Government revenue. Income from oil rose from approximately £147 millions in 1964 to over £200 millions in 1968. Suppliers to the oil companies, both foreign and national, whose annual requirements are very considerable, knew their own markets through direct contacts. For all other British exporters, the real importance of the oil industry lies in the fact that it supplies the funds for development. No examination, therefore, of the oil industry's structure and operations, or of the political problems connected with its operations, is necessary or appropriate here.

46. In the manufacturing sector, the largest enterprises produce bricks, cement, asbestos cement, tiles, steel windows and doors, furniture and textiles; vegetable oils, soap and detergents, beer, cigarettes and sugar. Cotton ginning and the spinning and weaving of cotton, wool and silk are all on a considerable scale. Projects in hand and at various stages of completion include a sulphur recovery plant, a fertiliser plant and rayon mills. Chemical and petrochemical developments are envisaged.

47. Most if not all of the larger units are State enterprises, either from their inception or after nationalisation in 1964. All major projects now envisaged for the future are Government planned.

48. In the next Five Year Plan, in which industry with ID. 170 millions takes second place only to agriculture, a growth

rate of 12% per annum is hoped for. No specific information concerning new projects in this Plan has yet been made public, but the Mission were informed that the largest gaps between consumption and production exist in the chemical and metallurgical industries. Increases in the production of textiles, sugar, vegetable oils and cigarettes are probable. Foreign, including British, proposals for the utilisation of a large factory complex south of Baghdad, supplied under the terms of an economic agreement with the USSR ten years ago, are now being studied. They include the manufacture/assembly of agricultural implements and machinery, commercial vehicles, and domestic appliances such as refrigerators and washing machines.

49. In the view of the Mission, the supply of plant and machinery for industrial purposes will represent one of the most promising fields for British exports over the next 5 years, and the detailed information on particular projects in this sector which will be contained in the Plan is awaited with considerable interest. Since the supply of plant will frequently involve the supplier in a commitment to the installation of his products, attention is directed to our remarks under the next heading.

50. We refer again to the Minister of Industry's expressed hopes that Britain should play a part in the further development of Iraq's industry. In answer to a question, he said that he would like British industry to study the projects in the industrial sector of the Plan, and to put forward serious proposals for turnkey projects.

CONTRACTS

51. What follows under this heading does not refer to contracts which involve merely the supply of goods or equipment.

52. Up till ten years ago, British contractors were responsible for a large proportion of all major works carried out in Iraq, particularly in the field of civil engineering. This has not been true in more recent years. It is no secret that British (and other foreign) contractors have during the last ten years had outstanding claims in Iraq on which no agreement has yet been reached. Indeed, reference was made to this subject in the original COMET Report published in 1963. There has been therefore some natural reluctance on the part of leading British

contractors to tender for new works in Iraq. It should be emphasised here that the claims to which we refer concern work undertaken and in some cases completed during the pre-Republican era. It is extremely unlikely that similar cases would arise today. It is however, disappointing that little progress has been made on these now long outstanding claims.

53. Apart from this historical factor, there is another element in today's conditions which, in our view, must be rectified if Iraq is to have the best contracting experience in the world - not only in Britain - at her disposal. Some modification of the existing Conditions of Contract is called for, and in this regard the Mission made its ~~XXXXX~~ views clear on a number of occasions.

54. The successful implementation of the Five Year Plan will call for the full mobilisation of Iraq's building and civil engineering resources, supplemented by competent professional advisers (architects and consulting engineers) and contractors, ~~XXXXXXXXXX~~ particularly for some of the major projects. This is confirmed in the following extract from the General Outline of the Five Year Plan prepared by the Ministry of Planning:-

55. "Among the other causes that have ~~lead~~^{led} and are still leading^{to} the delay of implementation of many projects is the lack of competent contractors. It is common knowledge to those who have been able to study the Iraqi economy and its development obstacles that shortage of technical workers and sound competency of managerial and organisational skills are the the obstacles that hinder its growth capacity. We would like to draw attention to the limitations of the Iraqi contractors' capacity to bid for the huge works aimed at by the Plan. It seems that this point has made the implementing authorities divide projects into a number of small tenders. But the variety of these tenders has made the managerial and organisational burdens, especially in the agricultural sector, larger than the capability of the implementing authorities in this sector, and perhaps it formed the main causes of delay in the implementation of agricultural projects. All these considerations have placed in front of any planner a heavy inheritance that he must get rid of before thinking of any new steps!"

56. In the light of the above, we believe that the Iraqi authorities may be inclined to ^{give}~~pay~~ due consideration to past history and to the present conditions which are inhibiting the international response to their major calls to tender. We were encouraged to learn that these factors are fully appreciated, and in respect of civil, mechanical and electrical contracts expert attention is being given to a revision of the documents at present in use to bring them into line with the International Conditions of Contracts. Special consideration is being given to the arbitration clause.

This is the point.

57. The Mission believe that Britain could render a major service to Iraq by offering to assist in every possible way to establish internationally acceptable contract documents and procedures which will restore confidence and ensure that invitations to tender on an international basis receive sound and reasonable responses.

58. While many major projects will be put out to international competition, we were informed that in special cases invitations to tender may be restricted to a limited number of foreign companies.

59. The civil engineering works which will be required in Iraq can be broadly divided into two principal fields. In the first are the infrastructural (principally roads), agricultural and irrigation projects, in which the civil engineering content is very high. These can be tackled in a number of different ways, with or without foreign contracting assistance. In the second field, to which we attach particular importance, not only from the point of view of British business but also from that of Iraq, are the industrial projects involving the supply and installation of plant and requiring civil engineering support. It is implicit in the passage quoted above, and it was admitted in conversation on a number of occasions, that the fragmentation of a project into a number of small contracts is perhaps not the most expedient method of bringing major works to a speedy and satisfactory conclusion. ~~The~~ Recent experience on the ground has confirmed this theoretical observation.

60. It is envisaged that in the future projects of this kind will be implemented through single, though composite,

contracts, in which a supplier and installer of plant will find himself allied to a competent civil contractor responsible for site preparation and the construction of buildings and external services. From the point of view of Iraq, the provenance of the contractor and the supplier of plant may not be important. What is important is the nature and pattern of the contract, and the allocation of total responsibility to one party which is written into it. From the point of view of Britain, we believe that in both fields we can offer as good a service as anybody in the world.

CONCLUSION

61. This brief document makes no pretence, as we have said above, to be a comprehensive survey of conditions and opportunities in Iraq today. It is rather a record of the main impressions, formed during an all too short six days, which seemed to us most relevant to the requirements of British business at the present time. Its principal message - and we trust that the claim to have a message does not sound too portentous - is that in the recent past British business has paid too little attention to Iraq, and should from now on renew its interest in a traditional market in which we have had close friends and good partners for over 50 years.

62. Considerable effort will be required, and we would not wish to suggest that the recovery of a more substantial share of this market will be an easy matter. Competition from both the East and the West is there in strength, but this is in itself a challenge which needs to be and can be accepted with greater energy, particularly in view of the special conditions outlined in paragraphs 11-15 above.

63. We have noted the steady increase, over the last 5 years, in the importance of the public sector in Iraq. There may be some elements in this country, well accustomed to the Iraq of an earlier era, who feel that the philosophical affinity between the State traders of Iraq and the State traders of the Eastern bloc countries may be too much of an obstacle to large British participation in the economic development of Iraq in the future. We believe that the importance of this factor is apt to be greatly exaggerated. Our impression is that the planners of Iraq are in the market for the best goods and the best services at the best prices which their country can afford.

64. The Mission made frequent enquiries on one particular subject which has so far not been mentioned - that of credit. It would be inappropriate to mention here either the detailed reactions which we met or the discussions which we have undertaken since we returned to this country. We are however of the opinion that a line or lines of credit, supported by E.C.G.D. and offered through the Ministry of Planning to Ministries which would make speedy use of them, could be an extremely effective means of promoting considerable further trade with Iraq. We believe that a gesture showing that the efforts of private exporters had the approval and support of the British Government would have a considerable impact, and the knowledge that British goods of a specified class were available on pre-determined credit terms could accelerate the placing of orders. The funds available for the implementation of the Five Year Plan are very large, but not at any given moment unlimited, and we have reason to believe that support of this kind would be very acceptable in Iraq.

11 December, 1969.

Thank you for sending me the draft of your Report on the Mission to Iraq. I was very interested to see this. Donald Hawley is best placed to comment on any detailed points, but it seemed to us here that you have covered the background very well indeed. (17)

I was initially struck by the fact that you seemed to have omitted the question of credit; but I then came on this point in the last paragraph. Donald Hawley is, as you know, keen to get a line of credit for Iraq and has recently written to the Departments concerned about this. The matter will be carefully looked at, but I cannot predict what the chances are of a favourable response.

I am sure that you are right to encourage businessmen to go out to Iraq and have a look for themselves to see what the possibilities are. I agree that there is room for improvement in British performance there but at the same time one must not underestimate the difficulties.

(G. G. ARTHUR)

H. M. Thomson Esq.,
Committee for Middle East Trade,
33 Bury Street,
S.W.1.

Ry M
4/12.

Registry No.	DRAFT Letter	Type 1 +
SECURITY CLASSIFICATION	To:—	From
Top Secret. Secret. Confidential. Restricted. Unclassified.	H.M. Thomson, Esq., Committee for Middle East Trade, 33 Bury Street, S.W.1.	Mr. Arthur Telephone No. & Ext.
PRIVACY MARKING		Department
.....In Confidence		
<p>Thank you for sending me the draft of your Report on the Mission to Iraq. I was very interested to see this. Donald Hawley is best placed to comment on any detailed points, but it seemed to us here that you <i>have</i> covered the background very well indeed.</p> <p>I was initially struck by the fact that you seemed to have omitted the question of credit; but I then came on this point in the last paragraph. Donald Hawley is, as you know, keen to get a line of credit for Iraq and has recently written to the Departments concerned about this. The matter will be carefully looked at, but I cannot predict what the chances are of a favourable response.</p> <p>I am sure that you are right to encourage businessmen to go out to Iraq and have a look for themselves to see what the possibilities are. I agree <i>in British performance here</i> <i>at the same time one</i> that there is room for improvement but we must not underestimate the difficulties.</p> <p style="text-align: right;"><i>20</i> 12.</p>		

NOTHING TO BE WRITTEN IN THIS MARGIN

Registry
No.

DRAFT Letter

(LAST PAPER)

Type 1 +

20a

SECURITY CLASSIFICATION

~~Top Secret.~~
~~Secret.~~
~~Confidential.~~
~~Restricted.~~
Unclassified.

To:—

Mr. H. M. Thomson,
COMET,
33 Bury Street,
S.W. 1.

From

Mr. Arthur
Telephone No. & Ext.

Department

PRIVACY MARKING

.....In Confidence

Comet Mission to Iraq.

Thank you for your letter of 15 December.

2. On the question of paragraph 9 I have no strong views. I see nothing politically objectionable in it, but the Board of Trade may of course have other Commercial factors to take into account.

3. The final paragraph about lines of credit, is somewhat outside my parish, and apart from wishing to endorse the views of the Embassy in Baghdad where they seem reasonable I must, I think, leave it to those with special interests - i.e. E.C.G.D. and the Board of Trade. But I agree with you that the report would be incomplete without some mention of the question of credit.

b.20
[Mr. Acland]

AA Acland
.. 15
an

m. Tripp

in Acland

(LAST PAPER)

BNEC Committee for Middle East Trade

20

33 Bury Street, London SW1 Telephone: 181 1111

Chairman J K Dick Executive Secretary H M Thomson

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Inland Telegrams: Brinatex London Telex 2137
Overseas Cables: Brinatex London SW1
Telex: 262264 Brinatex Ldn

15th December, 1969

Mr. G.G. Arthur, C.M.G.,
Deputy Under-Secretary of State,
Foreign & Commonwealth Office,
Downing Street,
London, S.W.1.

NEQ.D. M. Hinchliffe
What sentence?
R. submit dft reply.

Dear Geoffrey.

Reg & submit urgently

*E 17
12*

(19) Many thanks for your letter of 11 December on the subject of our draft Report on the visit to Iraq. I have now had a telegram from Donald Hawley proposing a number of useful ~~and~~ verbal amendments. He makes no suggestion that any alterations of real substance should be made.

We - that is, the Mission - intend to clean up the text finally in a brief session following our informal meeting on 18 December, which should itself be quite short. Meanwhile I have had one suggestion from the Board of Trade about which I am in some doubt. It is that it
* might be wiser to omit the second sentence of paragraph 9 on page 5. I gather that Miss Lacau has had a word about it on the telephone with Hinchliffe. Since I have had no reaction to this sentence from any of the mission, from Charles Duke, from the Embassy in Baghdad or, so far, from yourself, and since its deletion will take away some of the force of the paragraph, I would be in favour of retaining it. However, if you will be kind enough to have another look at it, and act as the final arbiter in this small matter, I should be most grateful.

*I saw Mr Thomson at lunch today.
The credit point - final para.
has been cleared up with EC&D.*

21...

*On para. 9 I subsequently suggested amendment as perulled
in. Mr Thomson was quite happy with this & agreed that there
was no need to write to confirm. AAA 22/12/69*

Mr. G.G. Arthur, Esq.,

15th December, 1969

The Board of Trade are also doubtful concerning the last paragraph which deals with the line of credit proposal. This may not be the best way of dealing with the matter, but I think it must be mentioned somewhere, and the second paragraph of your own letter appears to mean that you would agree with this. Any further views you may have about this paragraph would also be welcome.

Yours ever,

Hector Thomson

H.M. Thomson.

NIE Division

Please note that the following papers
have been sent direct to

J. McCarthy Department.

Under cover of
attached Comet
brief:

Folio 18 of
NE Q J 6/2

NE Department

Date 29/1/70

pw
pa α

See minute on

p. 20

~~Mr. Dickson~~

~~22~~ 22
acis

Am sorry to say that
I don't quite see what
all this is about. I

suppose the report is
for publication, in which
case there might be something
to be said for a redraft of §9

2. Can you pl. reply
appropriately on my behalf
next week?

20
12

BNEC Misions To Iraq; COMET Missions To Iraq. British Committee For Middle East Trade Mission To Iraq. 15 Dec. 1969. MS Middle East Online: Iraq, 1914-1974: Selected files from series AIR, CAB, CO, FCO, FO, PREM, T, WO, The National Archives, Kew, UK FCO 17/885. The National Archives (Kew, United Kingdom). Archives Unbound, link.gale.com/apps/doc/SC5107455764/GDSC?u=webdemo&sid=bookmark-GDSC&xid=b5fa9663&pg=1. Accessed 11 Apr. 2022.